

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Appropriations Requests for FY 2003
Date: August 30, 2001

Recommended Actions:

1. Approve the recommended appropriations requests for FY 2003.
2. Approve the priorities for restoring the base operating appropriations for FY 2003 to fulfill state statutory requirements for budget development.

Executive Summary

State appropriations are critical to sustaining operational excellence at the Regent institutions. Requests for state operating appropriations are an integral component of the Board's strategic plan as a mechanism for achieving quality (KRA 1.0.0.0) and maintaining accountability (KRA 4.0.0.0).

This memorandum details the recommended incremental operating appropriations requests for the Regent institutions for FY 2003 (Attachments A through E) and outlines other statutory budgetary provisions (Attachment F).

Incremental Operating Appropriations

The incremental recommended appropriations requests reflect the strategic plans of the Board and the institutions. The requests are based on continuation of current FY 2002 base operating appropriations. The institutional requests for FY 2003 have not changed significantly from those presented to the Board in July.

Full funding of salaries from state appropriations continues to be the first funding priority of the Board and its institutions. For FY 2002, salaries comprise almost 75% of the general education budgeted expenditures. In order for the Board and its institutions to achieve their strategic planning goals, competitive salaries are crucial in attracting and retaining excellent faculty and staff. An amount for full funding of salaries from state appropriations has not yet been determined.

In light of the lower than anticipated revenues of the state, the recommendations for incremental appropriations for the educational/programmatic initiatives have been limited to a 2.5% increase on base general education operating appropriations. The following tables summarize the recommended FY 2003 appropriations requests for institutional initiatives totaling \$13.5 million, which would provide for academic improvements and enhancements.

General Education Budget and Appropriation Information

	FY 2002 General Education <u>Budget</u>	FY 2002 General Education <u>Appropriations</u>	FY 2003 Incremental Appropriations <u>Recommendations*</u>	% Increase in General <u>Approps.</u>
SUI**	\$426,934,130	\$252,697,120	\$6,000,000	2.4%
ISU**	328,949,158	199,442,132	5,000,000	2.5%
UNI**	132,653,110	89,297,856	2,200,000	2.5%
ISD	8,569,353	7,946,772	200,000	2.5%
IBSSS	4,798,556	4,454,332	110,000	2.5%

* Excludes incremental salary funding, which has not yet been determined.

** General University budgets only.

Incremental FY 2003 Appropriations Requests and Recommendations

	<u>Initiative</u>	<u>Request</u>	<u>Recomm.</u>
SUI	Public Health Initiative	\$3,000,000	\$3,000,000
	Partnership to Improve Instructional Quality	<u>3,000,000</u>	<u>3,000,000</u>
		\$6,000,000	\$6,000,000
ISU	Plant Sciences Initiative	\$5,000,000	\$5,000,000
UNI	Educational Quality for the New Economy	\$4,734,000	\$2,200,000
ISD	Restoration of Necessary Services	\$200,000	\$200,000
IBSSS*	Restoration of Necessary Services	<u>\$160,000</u>	<u>\$110,000</u>
Subtotal		\$16,094,000	\$13,510,000
Board Office	Quality Improvements	\$50,000	32,000
Regional Study Ctrs.	Sustaining Excellence	<u>\$24,359</u>	<u>\$9,300</u>
Total		\$16,168,359	\$13,551,300

* Request slightly modified.

Details of the institutional initiatives, including the importance of salary funding for each institution, are detailed in Attachments A through E, while the appropriations requests for the Board Office and the Regional Study Centers are outlined at the end of the Background/Analysis section.

Statutory Provisions

The Iowa Code requires several budgetary steps for requesting state appropriations for an upcoming fiscal year. One requirement is an exercise to develop modified budgets assuming that base operating appropriations will be reduced by 25%. Restoration from 75% of the base appropriations to 100% involves the prioritization of programs and services in a series of decision

packages totaling \$169 million. The decision packages, detailed in Attachment F, list instructional and academic programs as the first restoration priorities of the institutions. Student services, institutional support, and physical plant services would follow.

Another mandate is for state department to use a “budgeting for results” format whereby budget requests are to be allocated by desired results. The Regent institutions have incorporated their respective strategic planning goals to satisfy the required budget format, which are included in the Regent Exhibit Book.

- Attachment A: University of Iowa** (page 7)
- Attachment B: Iowa State University** (page 17)
- Attachment C: University of Northern Iowa** (page 22)
- Attachment D: Iowa School for the Deaf** (page 27)
- Attachment E: Iowa Braille and Sight Saving School** (page 29)
- Attachment F: Statutory Provisions** (page 31)

Background/Analysis:

Appropriations Requests Process

The FY 2003 preliminary operating budget requests (excluding salaries) were presented to the Board in July for consideration. In September, the final operating budget requests are presented to the Board for approval. Between the July and September Board meetings, the Board Office visited with the institutions to gather additional information in operating and capital requests, discuss priorities, and refine budget requests.

The chronological appropriations process includes the following:

- Regent institutions develop institutional budget requests.
- The Board receives preliminary operating appropriations requests (excluding dollar amounts for implementing state salary policy).
- The Board approves final operating appropriations requests (excluding dollar amounts for implementing state salary policy).
- The Board-approved operating appropriations requests are submitted to the Department of Management as required by law.
- The Governor prepares state operating appropriations recommendations including recommendations for Regent appropriations.
- The Governor delivers his Condition of State/Budget message.
- General Assembly and Governor consider and approve appropriations.

Regent Request Criteria

The initiatives presented by the institutions are evaluated based on the following criteria:

- Relationship of initiatives to institutional strategic plans, which also guide capital budget requests.
- Prior appropriations for similar or connected initiatives.
- External funding which provides a leverage of state resources.
- Equity among institutions.
- Impact of initiatives on the state's economic development.

These proposed FY 2003 incremental appropriations requests reflect the strategic planning goals of the Board and the institutions and are based on stable funding of current base operating appropriations. Continued levels of state appropriations are essential for sustaining excellence at the Regent institutions.

Regent Salary Initiative

Full funding of the state's salary policy for Regent institutions is a key component of the Board's strategic plan for the Regent institutions to be the premier institutions of their type. Funding of salaries is necessary for the institutions to be competitive with their peers and is a beneficial investment for the state. Factors to be considered for full funding of salaries include:

- Quality faculty and staff are essential to the implementation of the Board's and institutions' strategic plans.
- To recruit and retain top faculty in a global marketplace, the Regent universities must remain competitive by paying competitive salaries in each discipline.
- The Regent universities face serious competition from other institutions of higher learning as well as from the private sector, which pays market rates.
- To remain competitive for essential positions within the professional & scientific compensation plans, it is not sufficient just to keep pace with inflation, especially in high demand occupational groups such as sciences and technology.
- The state's comparable worth law does not recognize external market factors.

The dollar amounts for incremental salary funding are not included in the Regent appropriations requests as these are calculated at a later date in conjunction with the state salary determinations.

The state, during its process of negotiating collective bargaining agreements, determines the statewide salary increase policy. Certain Regent salary increases are determined through various collective bargaining agreements, including the state's negotiation of the AFSCME contract. Historically, the Regent institutions have provided comparable salary increases for non-contract employees, consistent with the legislative intent established by annual salary appropriations legislation.

Board Office

Full funding of salaries from state appropriations for FY 2003 is the first priority of the Board Office to retain the appropriate level of professional staff. The recommended incremental request of \$32,000 (originally \$50,000) for FY 2003 for quality improvements has also been limited to 2.5% of the FY 2002 appropriations. The incremental funding would aid to meet the growing demands on the office, especially in technology and technology-based applications. The FY 2002 Board Office appropriation is \$1,292,935.

Clothing, Prescriptions, and Transportation

This appropriation represents state funding for tuition and transportation, in lieu of property taxes, for children of employees of the Iowa School for the Deaf who reside on school property and attend the Lewis Central public school system. This appropriation is also available for clothing and prescriptions as allowed by Iowa Code §270.4. The FY 2003 request of \$15,941 is equal to the amount appropriated for FY 2002.

Regional Study Centers


The regional study centers request incremental appropriations for FY 2003. The requested amounts are exclusive of funds for salary increases. Full funding for implementation of state salary policy from state appropriations is requested by the study centers and is the Regents first priority.

	FY 2002 Iowa Appropriations <u>Base</u>	FY 2003 Incremental Appropriations <u>Requests</u>	FY 2003 Board Office <u>Recomm.</u>	FY 2003 % Increase in Iowa <u>Appropriations</u>
Quad-Cities Graduate Study Center				
Sustaining Excellence	\$170,734	\$14,545	\$4,300	2.5%
Tri-State Graduate Study Center				
Sustaining Excellence	83,619	5,227	2,100	2.5%
Southwest Iowa Regents Resource Center				
Sustaining Excellence	<u>114,672</u>	<u>4,587</u>	<u>2,900</u>	2.5%
Total	\$369,025	\$24,359	\$9,300	


**BOARD OF REGENTS
STATE OF IOWA
SUMMARY OF APPROPRIATIONS AND RECOMMENDATIONS)**

	FY 2002 <u>Appropriations</u>	FY 2003 <u>Appropriations</u> <u>Recommendations*</u>	<u>\$</u> <u>Increase</u>
University of Iowa	\$313,251,779	\$319,251,779	\$6,000,000
Iowa State University	265,106,057	270,106,057	5,000,000
University of Northern Iowa	90,448,116	92,648,116	2,200,000
Iowa School for the Deaf	7,946,772	8,146,772	200,000
Iowa Braille & Sight Saving School	<u>4,454,332</u>	<u>4,564,332</u>	<u>110,000</u>
Institutional Operating	681,207,056	694,717,056	13,510,000
Board Office	1,292,935	1,324,935	32,000
Regional Study Centers	369,025	378,325	9,300
Clothing, Prescriptions, & Transportation	<u>15,941</u>	<u>15,941</u>	<u>-</u>
Total Operating	682,884,957	696,436,257	13,551,300

* FY 2003 requests do not include amounts for salary annualization or state salary policy.


Deb A. Hendrickson

Approved: _____


Robert J. Barak

ATTACHMENT A
FY 2003 Appropriations Requests
University of Iowa

	<u>FY 2002 Budget</u>	<u>FY 2002 Direct State Appropriations</u>	<u>FY 2003 Incremental Appropriations Request*</u>	<u>Increase in State Approp.</u>
General University	\$426,934,130	\$252,697,120	\$6,000,000*	2.4%
University Hospital	497,813,900	31,835,415	*	
Psychiatric Hospital	18,760,200	8,160,402	*	
Center for Disabilities and Development	9,013,400	7,332,202	*	
Oakdale Campus	3,512,157	3,081,157	*	
Hygienic Laboratory	6,537,414	4,158,633	*	
Family Practice	2,440,790	2,408,790	*	
SCHS	4,801,426	722,395	*	
Special Purpose	<u>2,855,665</u>	<u>2,855,665</u>	<u>*</u>	
Total	\$972,669,082	\$313,251,779	\$6,000,000	1.9%

*Does not include an amount for the salary funding request.

Full Funding of Salaries from State Appropriations **Request
To Be Determined**

The University of Iowa's highest budget priority in FY 2003 is for the state salary appropriation to fully fund salary and fringe benefit increases for faculty and staff. Full funding of competitive salaries impacts all aspects of the University's strategic plan. Faculty and staff with competitive salaries will:

- Advance Regent and University goals and objectives related to undergraduate and graduate instructional programs;
- Foster distinguished research, scholarship and artistic creation;
- Facilitate interdisciplinary interaction in teaching, research, and service;
- Cultivate a distinguished and diverse community of scholars; and
- Help develop a highly productive organization that supports the mission and values of the University, the aspirations of the Board, and the interests of the State.

Maintaining Excellence – Investment In The Future

The economy has been healthy for several years with relatively low inflation and an extremely tight labor market. As a result, faculty and staff in public universities now have more opportunities to leave academe to work for private employers, sometimes at higher salaries. Additionally, public and private institutions of higher education are in keen competition with each other for the best and the brightest.

The University of Iowa has emphasized salaries for many years as a means of establishing an employment context that would attract qualified candidates who can contribute to the University's strategic goals in terms of teaching, research, and service. Even with this commitment to salaries, the University now ranks 8th out of its 11 peer institutions in average faculty salary. The University reallocated funds this year to support average salary increases of 3.5%. The University could, potentially, move lower in its ranking of peer institutions. Salary surveys demonstrate that, to remain competitive, universities must apply significant resources to salaries.

The latest American Association of University Professors Salary Survey of faculty salaries as reported in the March/April issue of ACADEME indicates that the average salary increase for faculty at doctoral level public institutions of higher education was 5.2%.

World at Works' (formerly American Compensation Association) 2000 - 2001 - Total Salary Increase Budget Survey of 2,671 U.S. companies and 197 Canadian companies reports that the average increase for salaried employees was 4.6% in 2000 and is projected to be 4.5% in 2001. For hourly employees, the 2000 average was 4.3% and increases in 2001 are projected to be above 4.3%.

The College and University Personnel Association reports in its 2000 – 2001 Administrative Compensation Survey that the overall median salary increase for all administrative job types for the last year is 4.8%. The average increase at doctoral institutions was 5.2%.

Another concern of the University is that recruitment and retention of individuals with computer related skills are especially difficult. Some of the recruiting tools currently used by private employers, which are not often available in the public higher education setting, include:

- Signing bonuses
- New car leases
- Paid apartment rental
- Stock options
- Tuition reimbursement for graduate degrees

The reputation of a university and the ability to recruit and retain students is largely dependent on the range of offerings and the quality of the people who provide instruction, conduct research, and support academic activities. Premier programs are developed and maintained by attracting and retaining premier faculty and staff. To provide students a competitive educational experience, SUI must be able to compete in order to attract and retain high quality faculty and staff.

Funding of salaries is critical to the mission of the University. Without adequate funding for faculty salaries, it is anticipated that there will necessarily be a greater reliance on adjunct faculty and teaching assistants to carry increased teaching loads, especially in entry level or survey courses. Removal of respected members of the faculty from these assignments will significantly impact student satisfaction, and, consequently, retention.

Full funding of salaries is extremely important but the costs of benefits, which are rising rapidly, are also significant. In July, the University of Iowa, along with other state agencies, was informed of a large and unexpected increase in the employer portion of health care cost for the central State-operated health plans. The employer health costs under these plans increased 17% July 1, 2000, and another 17% January 1, 2001. The state recently projected further increases for FY 2002 in these health care costs that include increases as high as 25% for July 2001 and an additional increase of approximately 14% for January 2002.

Projections for health costs for the plans offered to faculty and professional and scientific staff are being made. Actual costs of these programs have increased by an average of 15% per year over the last three years. If the University passes on a significant portion of these costs to employees, it will further erode the University's competitive position and will adversely impact recruitment and retention.

Quality faculty and staff help the University as well as the entire state. They are dedicated to discovering, disseminating, and preserving knowledge and to the development of an educated citizenry. Through teaching, research, scholarship, creative endeavor, clinical practice, and public outreach, the University develops ideas, enlarges understanding, and extends its resources to society.

Quality faculty and staff also recognize the need for constant inquiry and continuous reinterpretation of knowledge. It is the responsibility of its faculty to determine what students should learn and to shape the body of knowledge that will be passed on to future generations. It is also the University's obligation to engage all members of its community in collective reflection on their responsibilities not only to their disciplines and professions but also to the institution and to society.

The University of Iowa has been extremely successful in obtaining grants and contracts. During FY 2001, SUI faculty and staff brought in over \$250 million to the state. Competition for these federal research funds is intense and only the best faculty and staff who have quality support services are successful in their bid for funding. Grants and contracts support the state's economy and add jobs.

One example is the Oakdale Research Park. It offers businesses engaged in basic and developmental research, product development and production linked to research and development, the opportunity to locate near and benefit from close proximity to researchers and research facilities.

Without proper salary funding, the University loses respected researchers and members of the faculty, the state loses valuable assets, and the community loses revenue-generating entrepreneurs.

Public Health Initiative

Request
\$3,000,000

Although the Public Health Initiative was established to respond to a recognized need for improved public health practice throughout Iowa, especially in rural Iowa, it was developed within the context of the University's strategic plan. The initiative focuses primarily on three of the University's goals: premier graduate and professional programs, distinguished research and scholarship, and interdisciplinary interaction. The initiative provides the concentration of public health education, research, and service to improve and maintain the health of Iowans.

Data indicates that:

- The highest proportion of adults over the age of 65 occurs in rural Iowa.
- Over ½ of the rural elderly are in poor health.
- Higher rates of several undesirable health outcomes occur in rural Iowa, such as low birth-weight babies, congenital malformations, motor vehicle injuries, agricultural injuries, burns, drownings, suicide, and mortality from prostate cancer.
- In these rural counties, there were fewer primary care providers, very few public health providers, and lower rates of adequate health care.
- In Iowa's urban counties, other health disparities were noted, such as tobacco related deaths from lung cancer, tuberculosis, and sexually transmitted diseases.
- Many of these health disparities occur among the most vulnerable segments of Iowa's population—children, the elderly, and farm and other rural families.
- Iowa has the highest percent of adults over the age of 85 in the country.

Meeting the needs and improving the health of Iowans is clearly a statewide priority. Healthy Iowans 2010, a comprehensive statewide strategic plan, addresses health disparities, needs, and action steps to guide the state in improving health. The Public Health Initiative provides a concentrated approach for improving and maintaining the health of Iowans.

The Public Health Initiative has two components: 1) development of the College of Public Health, and 2) advancement of the Health and Independence of Elderly Iowans Program.

College of Public Health

Founded in July 1999, the College possesses a strong tradition of education, research, and service in dealing with public health needs in Iowa and the Midwest. The College's mission is to promote health and prevent injury and illness through commitment to education and training, excellence in research, innovation in policy development, and devotion to public health practice. The College's strategic plan sets forth the following goals for the College:

Goal 1: Educate highly competent and committed public health professionals and research scientists.

Goal 2: Advance the scientific basis for the practice of public health.

Goal 3: Promote meaningful community service and collaboration.

Goal 4: Integrate public health and individual health care.

Goal 5: Enhance diversity and collaboration among students, staff, faculty, and alumni.

Goal 6: Become a fully accredited school of public health in the year 2000.

Funding in FY 2000 and FY 2001 has allowed the College to make substantial progress. It has established critical linkages with other institutions, developed joint degree and certificate programs in public health, worked to deliver public health courses throughout the state using a variety of instructional methods, and cooperatively worked with state agencies to provide a broad array of services, including health statistics, staff development, and collaborative research.

The College of Public Health has now hired 18 new faculty, plans to recruit eight additional faculty in FY 2002, has committed to two joint appointments with the College of Liberal Arts and two joint appointments with the College of Pharmacy in FY 2001, and has been successful in the retention of a world-class statistical genetics faculty member (which required significant base funding for the Center for Statistical Genetics and Division of Statistical Genetics in the Department of Biostatistics). The College is also in the final stages of recruiting a new head for the Department of Biostatistics. All of these commitments must be sustained with continued state support.

In FY 2003, SUI will continue to develop the new Department of Community and Behavioral Health, which is critical for the accreditation of the College of Public Health. The University has recruited a highly qualified head, Dr. John Lowe, to lead this department. Dr. Lowe is providing state leadership in prevention and control in the areas of smoking, substance abuse, and cancer. He is writing successful National Institutes of Health and Center for Disease Control grants to complement state funding for smoking prevention programs. An additional six new faculty positions will be needed to build this department.

Health and Independence of Elderly Iowans—Center on Aging

The Health and Independence of Elderly Iowans program FY 2000 and FY 2001 allocation allowed core staffing for the Center on Aging, which is co-sponsored by the College of Medicine and College of Public Health.

With Public Health Initiative funding, the Center on Aging has implemented an active outreach, education and population needs analysis program; has helped develop numerous grants; and has served as a resource for the Masters in Public Health in aging studies. In particular, the Center has worked closely with the Iowa Departments of Inspection and Appeals, Elder Affairs, and Corrections and the Iowa Partners for Long-Term Care in policy and program development, personnel training and innovative service delivery to the most rural aged. However, much more needs to be accomplished in light of Iowa's continually increasing elder population.

Funding

An additional \$3 million in state appropriations for FY 2003 would bring total state funding of the initiative to the originally projected level of \$5.0 million and would allow the College of Public Health and Health and Independence of Elderly Iowans to:

- Provide additional core faculty for each of the five departments to meet accreditation requirements and the goals and objectives of the College of Public Health strategic plan.
- Implement all Masters of Public Health (MPH) subtracks, focus areas, and dual degrees with several Colleges at the University of Iowa and at Iowa State University and the University of Northern Iowa.
- Implement the statewide distance learning MPH and Certificate of Public Health.
- Implement the statewide College of Public Health outreach and education program through the Center for Public Health Practice, Center for Public Health Statistics, and the cooperative agreement with the Iowa Department of Public Health.
- Recruit a director for the Center on Aging to lead its outreach, education, and clinical components; collaborate with the College of Public Health to implement the MPH in Aging Studies; and position the Center to compete for external research funding.

Partnership to Improve Instructional Quality

Request
\$3,000,000

Maintaining Library Collections (\$800,000)

The University Libraries is a coordinated network of 12 individual libraries offering a wealth of informational and scholarly resources pertinent to the academic departments, institutes, programs, and services of the University. Libraries are essential to the creation of a quality educational experience for undergraduate and graduate students and in the support of the quality research in all fields.

The University's libraries acquisitions budget is used to provide access to books, journals, electronic resources and other forms of information to support the teaching, research, and service missions of the University. Since the mid-1980's, the acquisitions budget has been battered by inflation rates averaging between 9-11% annually, particularly for scientific information resources, which account for over half the budget. In a recent ten-year period, inflation for journals acquired by research libraries increased 148%, compared with 44% for the Consumer Price Index. Library vendors have projected price increases averaging over 11% for 2002.

In the last several years, the availability of digital information resources has been transforming research in many academic fields, both in science and medicine, and in disciplines as diverse as business and classics. But the high cost of much digital information adds to the inflationary pressures already having an impact on the budget.

The University requests recurring appropriations of \$800,000 to address the effects of inflation and the need to provide access to electronic resources. Distinguished research and scholarship and premier graduate and professional programs cannot be achieved without library resources to attract and support productive faculty and talented students. Undergraduates cannot compete in today's highly technological job market without exposure to the databases and digital resources now commonplace in many fields. Digital resources in particular can level the playing field for distance education students, since they can be as accessible in Sioux City as they are in Iowa City. As the State's largest library, the University of Iowa libraries also serve as a resource for the entire state, a role especially important in the medical community and in business and economic development.

University Libraries Digital Library Initiative (\$100,000)

The purpose of the University of Iowa Digital Library Initiative is to provide the University of Iowa faculty and students, as well as citizens of Iowa, with broad access to digitized collections and resources.

The libraries' first step toward meeting this goal was to establish the Scholarly Digital Resources Center (SDRC) to foster the creation and use of digitized collections of interest to the University community and the citizens of Iowa. Through the SDRC, the libraries have been able to develop several ongoing initiatives including digitizing its unique Chautauqua collection which is now used by K-12 teachers and students and those in other Iowa colleges and universities.

This initiative will enable the libraries to synchronize digitization efforts with academic departments, the Museum of Art, and other units throughout the University by expanding access to unique campus collections statewide.

Through this initiative the libraries expect to reach out beyond the University campus and collaborate on the development of projects throughout the state. These projects will result in the creation of shared digitized collections useful for all citizens and further the development of standards and best practices for digitization of materials. With funding, students and faculty will have greater access to research and teaching materials in all digital formats including sound, images, and text.

By digitizing important collections, the libraries can also fill an important need not only for the University community but also for K-12 education throughout the state by enabling these resources to be accessed through the Internet. The utilization of resources now restricted by place will change dramatically through digitization and Web-based access.

Advancing the libraries digital access capability would complement the University's strengths. Digitized information resources have become crucial to medicine and other health sciences fields, particularly in serving remote areas of Iowa. As an example, virtual medical simulations are helping to expand learning opportunities for students and health practitioners. The Digital Library Initiative will not only provide critical access to information resources for students and faculty, but also for educators and practicing professionals across the State of Iowa.

Funding will be used to: (1) Create a professional position with technological expertise in digital production and management; (2) Hire student assistants, and (3) Establish a recurring budget for computer equipment and software required for such an operation. Existing personnel will supplement the specialized staff.

Next Generation Science (\$1,000,000)

This proposal addresses the serious challenge of rebuilding the University's science departments in the face of substantial and increasing faculty losses. These losses are being felt most crucially in the College of Liberal Arts and Sciences, in its departments of Biological Sciences, Chemistry, Computer Science, and Psychology.

These departments are at a critical juncture due to the convergence of four factors:

- Substantial faculty turnover, particularly due to retirements and raiding by other universities;
- Dramatic increases in the numbers of students seeking these majors;
- Very strong demand for service courses from engineering and pre-health-science students as well as students in the Liberal Arts and Sciences; and
- Spiraling costs for instrumentation and for essential renovation of laboratory space.

These factors have affected science departments in a debilitating way. Departments have been unable to replace faculty fast enough to meet student demand for coursework. In the next four years, the College needs to fill a minimum of 2 to 3 positions per year in Biological Sciences, 2 to 3 positions per year in Chemistry, 2 positions per year in Computer Science, and 2 positions in laboratory areas of Psychology, as well as replacing faculty in other laboratory science departments (Exercise Science, Geoscience, Physics and Astronomy, and Speech Pathology and Audiology).

Peer Research I universities nationwide are also facing the problem of increasing numbers of retirements and large start-up costs for laboratory research, but they are responding to the challenge more vigorously, leaving SUI at a marked disadvantage in filling vacancies. These institutions have recruited excellent faculty away from SUI departments.

It has always been a challenge to renew the physical plant that houses the natural sciences and to provide students and faculty with updated instrumentation and well-designed laboratory space to make teaching and learning possible. The greatest need is the buildings that house the departments of Chemistry, Geoscience, and Psychology.

Rapid advances in the types of investigation done in these areas have outstripped the resources available to the University to keep up with developments in the sciences. The start-up equipment for one new faculty member in Chemistry will cost \$500,000 over a two-year period; in Biology, \$400,000; in Psychology's neuroscience area, \$200,000; in Computer Science, \$100,000. This start-up funding is an investment in the career of a faculty member whose laboratory will bring in millions of dollars in external funding over the course of his or her career.

In all the natural sciences, the technology that supports teaching and research is developing rapidly. The cost of equipping laboratory spaces has grown substantially. The University cannot teach and practice science for the 21st century with 1960s equipment and facilities. Prospective employers and professional schools expect graduates to know how to use laboratory equipment that is more advanced than that currently used for teaching. The University does not have sufficient resources to allow it to catch up and keep up with technological changes and certainly not to meet the standards it must maintain to be competitive in faculty recruitment and offer students the modern education they expect and deserve.

This proposal begins to address the challenge of rebuilding the science departments. State funding is a critical, necessary factor for recruitment and retention of excellent faculty in the laboratory sciences and essential for equipment purchases and facilities renovation.

The University requests an allocation of \$1,000,000 in recurring funds beginning in FY 2003. These funds would be used solely for start-up equipment and minor renovation of space for new faculty in Biological Sciences and Chemistry or for improving facilities and purchasing specialized equipment for faculty that have received outside offers. Due to faculty losses, the University expects to have the resources to support the salaries of these hires.

Opening Medical Education and Biomedical (\$1,100,000)

The Medical Education and Biomedical Research Facility (MEBRF) is scheduled to be open during the second half of FY 2002. Approximately 61% of the building space will be devoted to instruction and the remaining 39% will house research activities. The annual cost of providing custodial services, general maintenance and utilities is estimated to be approximately \$2,466,000. The reallocation of funding previously used for the Steindler Building that was demolished as part of this project will be used to offset partially the costs of operating this new facility. After applying the savings from the Steindler Building, the new recurring annual net cost of maintaining the instructional space in MEBRF is approximately \$1.1 million.

ATTACHMENT B
FY 2003 Appropriations Requests
Iowa State University

	<u>FY 2002 Budget</u>	<u>FY 2002 Direct State Appropriations</u>	<u>FY 2003 Incremental Appropriations Request*</u>	<u>% Increase for State Approp.</u>
General University	\$328,949,158	\$199,442,132	\$5,000,000*	2.5
Experiment Station	40,286,814	36,156,441	*	
Cooperative Extension	31,154,455	22,849,455	*	
IPRT	4,309,128	4,309,128	*	
Special Purpose	<u>2,348,901</u>	<u>2,348,901</u>	<u>*</u>	
Total	\$407,048,456	\$265,106,057	\$5,000,000	1.9

*Does not include an amount for the salary funding request.

**Full Funding of Salaries from State Appropriations for
Nationally Competitive Faculty and Staff**

**Request
To Be Determined**

Iowa State University's first priority for sustaining excellence and meeting the goals of its strategic plan is to achieve and maintain nationally competitive faculty and staff compensations including salary and benefits.

ISU's 2000-2005 strategic plan commits the University to attract and retain world-class faculty and staff necessary for "Becoming the Best Land-Grant University." Nationally competitive compensation packages are essential to achieving this objective.

ISU's overall average of FY 2001 faculty salaries was 98% of the average of its peer universities, declining from 100% in FY 1998 and 99% in FY 1999. While the overall average is slightly below its peers, the gradual decline of the past few years concerns the University. Additionally, wide variances exist among the disciplines, and ISU is significantly below the mean of its peer institutions in several critical areas. Consequently, ISU has been losing faculty at an increasing rate.

If ISU is to "Become the Best Land-Grant University", compensation must be higher than the mean of peer institutions so the University can attract and retain faculty and staff of such quality to achieve this aspiration.

For the past two years, salaries and benefits have not been fully funded from state appropriations. The University has also experienced significant health insurance increases. The University has addressed these shortfalls in state appropriations with reallocations and new tuition revenues. In so doing, the University is unable to fulfill commitments made to students in the use of tuition increases to improve educational quality.

ISU is currently below the mean on faculty salaries and professional and scientific staff salaries and has other critical operating needs; accordingly full funding of salary increases from state appropriations must continue to be the top legislative funding priority. ISU's salary objective for FY 2003 is to improve its salary competitiveness among its peer institutions by reaching the mean of salaries at those institutions. If ISU is to aspire to its strategic plan, compensation in future years should be enhanced to raise the University above the mean of its peers.

**Excellence in Fundamental Plant Sciences -
A World-Class Plant Sciences Institute**

**Request
\$5,000,000**

Building a Center of Excellence in Fundamental Plant Sciences is an important initiative if Iowa is to become the food capital of the world. As the world enters the 21st century with an ever-growing population, there is an increasing, even urgent, need to develop and expand food sources. Because carbohydrates from plants provide the basic resources for food, continuing research and development in the plant sciences is essential to meet the expanding demand.

In addition to food, plants also produce fiber for clothing, oil and other products that can provide energy in a sustainable manner while protecting the environment. Thus, whether they are interested in food, clothing, or energy resources, the challenge of a carbohydrate-based economy captures the imagination of many of today's brightest young people. To realize the dream of such an economy, much more must be learned about the ways in which plants function.

Iowa State University's considerable expertise in many areas of plant sciences and long-standing reputation and success in agronomy and seed sciences, make it clear that the University is well positioned to undertake this world-class initiative with predictable success.

Much of Iowa's economy is based on plants and animals that consume those plants. Excellent research at Iowa State, focused on fundamental biochemical, physiological and molecular aspects of plant functions, will provide information to maintain and strengthen Iowa's plant-based agriculture into the future. The research will form the basis for development of new uses for crops and for improved genetics, improved pest resistance, improved performance during weather-related stresses, and ultimately improved crop production.

The DNA base sequence of the genome of the model plant, Arabidopsis, is becoming known completely. Sequencing information is accumulating for many of the grasses and legumes. The challenge will be to use this rapidly developing information to understand how the expression of genes is controlled within plants. This information will support such innovative approaches as insertion of artificial chromosomes to aid chromosome mapping so that important genes can be cloned. Moreover, the development of plant artificial chromosomes could lead to new species of crop plants with valuable characteristics.

In September 1999, the Board of Regents approved the establishment of the Plant Sciences Institute – an umbrella organization over a group of centers – each focused on specific areas of the plant sciences. At this time, there are eight centers:

1. Center for Plant Genomics
2. Center for Bioinformatics and Biological Statistics
3. Center for Plant Transformation and Gene Expression
4. Center for Plant Breeding
5. Center for Designer Crops
6. Center for Plant Responses to Environmental Stresses
7. Seed Science Center
8. Center for Crops Utilization Research

A further expansion of investment is now required to make a number of strategic hires of scientists engaged in plant genomic work, plant structure and metabolism studies, agro-ecology, and restoration ecology and bioremediation. The University must increase “seed” funding for scientists working in these areas for their research, laboratory, and equipment for robotics and plant transformation.

The ISU Plant Sciences Institute will be one of the major factors leading to economic development in Iowa. This will include:

- The development of a cluster of plant life science companies in Iowa with high paying jobs that keep Iowans in the State, particularly young people who presently leave the State in large numbers after completing their education.
- The research of the Plant Sciences Institute will promote the vitality of rural communities by enhancing the profitability of agricultural producers/farmers with crops designed to meet specific needs for food, animal feed, and industrial uses. Industrial uses for crops, such as bio-based products and bio-energy, will promote rural economic development with local processing of designer crops, as well as support energy security for the United States.
- Grant and gift-supported faculty and staff positions in the Plant Sciences Institute will directly contribute \$10-20 million annually to Iowa's economy.

The Plant Sciences Institute is having a significant effect on the state by:

- Enhancing the retention of existing companies by providing strong educational support and by strengthening the science focus and reputation of the State of Iowa and Iowa State University.
- Providing a tangible mechanism to achieve the Governor's vision for the State of Iowa to be the World Food Capital.
- Facilitating, due to the excitement created by the Plant Sciences Institute, the retention of the best minds -- both faculty and students -- in the State of Iowa and Iowa State University. ISU has successfully stymied efforts by other institutions to "raid" some of the best faculty. Also, almost 50 of the National Merit Scholars at ISU are in majors related to the Plant Sciences Institute.
- Synergizing the development of multi-institutional cooperation and partnerships nationally and internationally.
- Cooperating with the Iowa Department of Economic Development to attract new companies to Iowa.

ISU has established a goal to increase the annual operating support from the State of Iowa to the Plant Sciences Institute to \$10.0 million per year. ISU received direct state operating appropriations for the Plant Sciences of \$2.2 million and was later authorized by legislation to spend up to \$4.67 million in state appropriations for the Plant Sciences. The University also received one-time capital funding of \$2.0 million from the sale of ISU land for the Carver Co-Laboratory, a Plant Sciences project.

ISU anticipates that federal and private support of research will be increased by \$100 - \$200 million over a ten-year period, leveraging the State of Iowa's investment. A grant of \$2.5 million has been received from the National Science Foundation Plant Genome program.

The goal for private gifts and endowments is \$100 million, to match the state appropriation over a ten-year period. ISU has made significant progress toward that goal including the anonymous gift of \$80 million to the Agronomy Department, a gift of \$10 million for the Center for Bioinformatics and Biological Statistics, a gift for an endowed chair position in biological statistics, an anonymous gift of \$5 million to the Seed Science Center, and \$3 million from the Roy J. Carver Trust for the Carver Co-Laboratory.

The Plant Sciences Institute meets all of ISU's strategic planning goals of learning, discovery, and engagement.

- *Learning* - All faculty recruited and hired with Plant Sciences Institute funds are full members of academic departments with all of the normal expectations including teaching at both the undergraduate and graduate level.
- *Discovery* - The Plant Science Institute is significantly augmenting the research capability of ISU by bringing together new faculty in new areas and faculty across the University, including engineers, mathematicians, statisticians, computer scientists, to address problems relevant to the state of Iowa.
- *Engagement* - The Plant Science Institute has taken a leadership role in the Genetically Modified Organism (GMO) debate including organizing conferences, providing testimony at the Food and Drug Administration (FDA), and providing presentations in Iowa, nationally, and internationally.

The creation of an internationally renowned center of excellence in the fundamental plant sciences will vigorously advance understanding of the ways in which plants function and will support applied research in horticulture, agronomy, forestry, and plant pathology for the next century. The strategic investments will place the University in a position consistent with a high-profile image that will attract the best researchers to Iowa and will make it the center of choice for the best students who have an interest in developing the carbohydrate based economy.

ATTACHMENT C
FY 2003 Appropriations Requests
University of Northern Iowa

	<u>FY2002 Budget</u>	<u>FY 2002 Direct State Appropriations*</u>	<u>FY 2003 Incremental Appropriations Recomm.**</u>	<u>% Increase for State Approp</u>
General University	\$132,653,110	\$89,297,856	\$2,200,000*	2.5%
Institute for Decision Making	736,075	736,075	*	
Recycling and Reuse				
Technology Transfer Center	240,963	240,963	*	
Industrial Technology Metal				
Casting	<u>173,222</u>	<u>173,222</u>	<u>*</u>	
Total	\$133,803,370	\$90,448,116	\$2,200,000	2.4%

* Does not include an amount for the salary funding request.

** Modified from institutional request.

Request

Full Funding of Salaries from State Appropriations **To Be Determined**

The University of Northern Iowa's Strategic Plan includes eight goals, the first two of which are to "provide intellectually stimulating and challenging experiences for students..." and to "support creative and intellectually rigorous teaching and scholarship". These goals are highly dependent upon competitive faculty salaries, which allow the institution to continually maintain excellent faculty as well as compete for and recruit qualified new faculty. Salaries are a particularly critical factor in achieving UNI's strategic plan at this time because the University is experiencing a high turnover due to faculty retirements.

Competition for faculty has been intense for UNI during the past two years because not only are universities across the country recruiting Ph.D.'s but these potential faculty members are also recruited by the private sector where salaries are generally higher. This competition directly affects education, research, and outreach because when searches are unsuccessful, less qualified temporary and adjunct faculty must be hired to fill the gaps while searches are continued or repeated the following year. Although temporary faculty help the University meet short-term needs in the classroom, they do not conduct research or engage in outreach activities.

According to a 2000-2001 report compiled by the American Association of University Professors (AAUP), average faculty salaries at UNI rank seventh of eleven peer institutions. The Board has recognized in its strategic plan that critical factors for success in recruiting and retaining high-quality faculty include competitive salaries, recruitment of minority faculty, and keeping pace with salaries and benefits offered by peer institutions.

Excellent faculty play an essential role in achieving the mission of the institution and obligation as a state institution to students and to the taxpayers of Iowa. Excellent faculty provide students with the best possible learning experiences in the classroom – experiences which better prepare students for their futures both as professionals in the workforce and as citizens and members of communities and families. When excellent faculty are on the “cutting edge” of their disciplines, they help insure a vibrant and contemporary education which prepares students to think critically, analyze information thoughtfully, and adapt to change.

Excellent faculty members consistently set high standards for students and for themselves. They are accessible to students, and bring high levels of both knowledge and enthusiasm to the classroom. Excellent faculty members establish a balance with high quality teaching, a robust and ongoing research agenda, and service to their communities; integrating the three faculty roles so that each contributes to the others.

UNI prides itself on providing a personalized learning environment. UNI has an underlying philosophy of “students first” and seeks faculty who share that commitment to providing the best possible learning environment for students. Competitive faculty salaries are essential in attracting and retaining the kind of quality faculty members who share the UNI philosophy.

The relationship between the quality of educational experience provided by UNI faculty and staff and the university’s mission and strategic plan can perhaps best be summarized in the first value statement of UNI’s strategic plan: “The University of Northern Iowa community values excellence in all its endeavors”. Academic excellence in all aspects of students’ educational experience at UNI, including both learning experiences in the classroom and those that occur while students engage in research and scholarly activities with their professors outside the classroom, lies at the heart of the university’s mission.

UNI has a critical role to play in providing an educated workforce that will serve the state’s needs for the new economy. Maintaining excellent faculty at Iowa’s universities is essential for the preparation of tomorrow’s workforce. Statistics show a direct relationship between education completed and salary. Higher education has a critical role to play and faculty are key to the realization of that role.

	<u>Request</u>	<u>Recomm.</u>
Educational Quality for the New Economy	\$4,734,000	\$2,200,000

The University of Northern Iowa is proposing to create eighty-seven new faculty positions in high demand curricular areas. Faculty are desperately needed in fields that target specific career opportunities and in liberal arts areas, which establish the educational foundation that provides the intellectual skills and abilities for a 21st century citizenry prepared to work in the New Economy.

The basis for the New Economy, an economy founded fundamentally on the production and application of knowledge rather than capital and labor, is the ability to produce, disseminate and apply knowledge. The emergence of a 21st Century knowledge economy is dependent upon the capacity of a state's citizens to engage in knowledge work. Iowa will prosper as its citizens develop 21st Century skills, abilities, and characteristics. These include: critical thinking; information use skills; ability to make ethical, reflective judgments; creativity; reliability and responsibility; problem-recognition, definition and solution formulation; international and multi-cultural competence skills; communication skills; and what we have come to call technological readiness. UNI's forty-seven credit hour general education program, required of all students, builds a firm foundation for career specific skills and knowledge.

Last year, the UNI proposal for sixty-five new faculty lines was recommended by the Board for legislative funding. The present proposal modifies last year's request to adjust for two changes: (a) salary increases and (b) actual enrollment increase in Fall 2000 and projected increase in Fall 2001.

UNI has continued to experience steady enrollment growth. In the last six years, UNI has grown nearly 10%. To maintain quality learning environments, UNI has established performance indicators with targets for class size and the proportion of instruction offered by tenured or tenure track faculty. In 1995, UNI had achieved the target for instructional faculty and were within reach of the class size targets.

Between 1995 and 2000, the University dropped from 619 tenure and tenure-track faculty to 593. UNI experienced a sharp increase in faculty turnover, primarily due to retirement of faculty hired when the baby boomers entered college. By not replacing all faculty, this turnover allowed the University to cover the shortfall in appropriations for salary increases as well as hire a large number of lower-cost, part-time instructors thereby maintaining class size but increasing reliance on part-time instruction.

As a consequence, only 65% of all undergraduate student credit hours, compared to a target of 75%, are taught by tenured or tenure-track faculty, and only 54% of the lower division classes are taught by tenured or tenure-track faculty. UNI considered this to be a necessary short-term strategy, but it is not a route to quality in the long term. The University cannot maintain quality without the faculty resources to meet enrollment growth.

In contrast to part-time faculty, full-time faculty provide:

- Student advising or mentoring;
- Supervision of experiential learning, independent study, or reading courses;
- Service on departmental and university committees that contribute to the governance and operation of the institution;
- Creation of new knowledge through scholarship and creative activity, involving students with research and creative experiences; and
- Instruction in upper division or graduate students.

While adjunct instruction in individual courses is fine in many cases and in limited numbers, in the aggregate, an insufficient number of full-time tenure tract faculty reduces the quality of the learning environment and of the institution.

UNI is distinguished in the state for its preparation of teachers, educational leaders, and experts in early childhood. UNI's elementary education program presently enrolls 2,000 majors preparing to become Iowa's elementary school teachers. Additional faculty are needed in this area. Large proportions of the educational leaders in K-12 are expected to retire in the next 5 years, and programs need to be sufficiently available to educate those who will replace them. Programs from biology to electronic communications, from management information systems to social work, require faculty which can provide the mentoring and support that are needed for a quality education that will prepare Iowa students to contribute to Iowa's future.

This proposal will benefit:

1. *The institution:* UNI has a long-standing reputation for instruction by faculty who create high quality learning environments. Increasing the number of tenure-track faculty is necessary to continue this tradition, and to meet the University's targets.
2. *Students, parents, alumni:* students and parents will be able to count on experienced faculty who will continue to provide the one-on-one mentoring and support UNI students have come to expect.
3. *Higher education in the state:* tenure-track faculty contribute to the intellectual vitality of the institution in particular and the higher education community in general. UNI faculty collaborate with faculty at other colleges and universities across the state to create academic programs for students and conduct applied research that serves the state. Examples include UNI's Institute for Decision Making and the Iowa Waste Reduction Center.
4. *Citizens of Iowa:* New Economy enterprises will be established in locations where a critical mass of individuals have the capacity to participate in the knowledge economy. Higher education institutions and the production of an educated workforce clearly impact business decisions. UNI's students come from Iowa and about 70 percent typically take their first job in Iowa. Thus, the education that they receive at UNI has a direct impact on the state. UNI also makes a significant contribution to the education of students who are unable

to attend on our campus. During 1999-2000, for example, UNI registered 8,131 students in 302 off-campus credit courses delivered in 109 communities, and the University is committed to expanding its offerings to meet the needs of place-bound Iowans and to maximize the use of technology as an educational tool.

5. *Economic development*: An educated workforce is a powerful and far reaching economic development mechanism in today's new economy. In addition to contributing to the development of this workforce, UNI helps economic development through the Business and Community Division (including Ag Based Industrial Lubricants, Iowa Waste Reduction, Institute for Decision Making) and similar units in other divisions, such as the Recycling and Reuse and Technology Transfer Center.
6. *Other state agencies*: Many state agencies hire UNI graduates, and UNI students have served as interns in many agencies across the state.
7. *Quality/excellence*: Quality and excellence in education require a sufficient number of qualified faculty to serve the size of the enrollment. UNI currently is operating with a "faculty deficit."
8. *Determine what "value is added"*: Creating a quality educational environment through the use of full-time faculty creates an educated citizenry. An educated citizenry is critical for a democratic society and a new economy.

ATTACHMENT D
FY 2003 Appropriations Requests
Iowa School for the Deaf

	<u>FY 2001 Budget</u>	<u>FY 2001 Direct State Appropriations</u>	<u>FY 2002 Incremental Appropriations Request*</u>	<u>Increase for State Approp.</u>
Iowa School for the Deaf	\$8,569,353	\$7,946,772	\$200,000*	2.5%

*Does not include an amount for the salary funding request.

Full Funding of Salaries from State Appropriations **Request**
To be determined

Competitive salaries are essential to enable Iowa School for the Deaf to provide a quality academic and residential learning environment. Quality faculty and staff are fundamental in the implementation of the Board's and ISD's strategic plans.

ISD must remain competitive by paying salaries sufficient to recruit and attract faculty qualified to teach deaf and hard of hearing students. Qualified deaf teachers are becoming increasingly difficult to recruit. Many potential teachers are changing professions for financial reasons, making the available pool much smaller. Other states are becoming increasingly assertive in recruiting Iowa teachers by paying signing bonuses, moving expenses, and very competitive salaries to attract these licensed faculty.

Many of ISD's professional and scientific salaries are just keeping pace with entry-level position pay. ISD faces external competition for similar positions in the private sector, which means that ISD competes at market rates for these positions. ISD does not have the ability to raise tuition to cover shortfalls in salary funding. ISD relies solely upon state appropriation funding.

Full funding of salaries from state appropriations will allow ISD to remain competitive and vital as a premier academic and residential institution for deaf and hard of hearing students.

Recreation Complex Program and Operations

Request
\$200,000

The Iowa School for the Deaf Recreation Building is scheduled to be completed during FY 2002. ISD received capital appropriations of \$3.26 million for the construction of this building. Once the building is complete, ISD will need state funding to cover the basic operating expenses associated with opening the facility. This request would fund three staff positions to operate the programs in the new facility and its utility costs.

If fully funded, ISD would hire a program coordinator, a clerical position, and custodial support. This support would provide for routine scheduling and maintenance and will allow for the development of programs for use by deaf and hard of hearing students. Program development would be used to enhance building utilization by various constituencies. ISD students would use the facility for educational and residential programs.

Groups such as the National Deaf Athletic Association have also expressed an interest in bringing sport camps for deaf people to the recreation facility. Regional deaf sports activities for deaf youngsters will be expanded. The building programming will expand integration of the general population with the deaf community.

ATTACHMENT E
FY 2003 Appropriations Requests
Iowa Braille and Sight Saving School

	<u>FY 2001 Budget</u>	<u>FY 2001 Direct State Appropriations</u>	<u>FY 2002 Incremental Appropriations Request*</u>	<u>Increase for State Approp.</u>
Iowa Braille and Sight Saving School	\$4,798,556	\$4,454,332	\$110,000*	2.5%

* Does not include an amount for the salary funding request.

** Modified from institutional request.

Full Funding of Salaries by State Appropriations	<u>Request</u> To Be Determined
---	--

Competitive salaries are essential to enable IBSSS to provide a quality academic and residential learning environment. Quality faculty and staff are fundamental in the implementation of the Board's and the institution's strategic plans.

IBSSS must remain competitive by paying salaries to recruit and attract faculty qualified to teach students with visual disabilities or blindness, including those with multiple disabilities. Qualified teachers are becoming increasingly difficult to recruit. The State of Iowa does not have a training program to prepare teachers of the visually impaired or orientation and mobility instructors. IBSSS must recruit from across the country. Since the School is in competition with every other state and special school in the country for these professionals, a strong salary base is necessary to attract these individuals to Iowa.

Many potential teachers are changing professions for financial reasons, making the available pool much smaller. Other states are becoming increasingly assertive in recruiting Iowa teachers by using signing bonuses, paying moving expenses, and offering very competitive salaries.

Many of the School's professional and scientific salaries are just keeping pace with entry-level position pay. IBSSS faces external competition for similar positions in the private sector. IBSSS relies solely upon state appropriation funding. Full funding of salaries from state appropriations will allow IBSSS to remain competitive and vital as a premier academic and residential institution for the blind and visually disabled students.

	<u>Modified Request</u>	<u>Recomm.</u>
Restoration of Necessary Services	\$160,000	\$110,000

The budget reductions of FY 2002 caused a decrease in IBSSS services to many students who are blind or visually impaired. The School's request would reinstate summer school programming, outreach consulting and technical services to the level prior to the FY 2002 budget reductions.

The IBSSS appropriations request presented to the Board in July was \$154,950. The School modified its request slightly as a result of more refined cost estimates.

Over the past few years, the School has undergone substantial reorganization and internal reallocations to better serve the visually impaired or blind children of Iowa. The School continues to serve students needing comprehensive services on campus through its center-based residential program. However, the majority of students who are visually impaired attend their local public schools. IBSSS provides a strong Outreach Services program for visually impaired students placed in the local schools as determined by the Individual Education Plan (IEP). These outreach initiatives have been funded through internal reallocations over the past few years.

Because of the FY 2002 budget reductions, the summer school program was reduced from eight weeks to six weeks. The Iowa Braille and Sight Saving School requests \$45,000 to restore the summer school program back to a full eight weeks of service. This program provides significant opportunities for students who normally do not attend the School to learn additional skills required for independence not always provided by their local schools. The summer school program has become a very popular activity for many Iowa families. During the summer of 2001, approximately 110 families were served through the School's many summer program offerings.

The School also requests \$110,000 to restore its outreach consulting and technical services to students throughout the state. For many years, the School has provided high quality consultation and technical assistance to students who attend their local schools. These services have been developed through the Board and School's strategic planning process and were funded by reallocations. The budget reductions of FY 2002 essentially negated the School's efforts of the past several years and deprived students of access to needed educational opportunities.

ATTACHMENT F
Statutory Provisions

Priorities for Restoring Base Operating Appropriations

Iowa Code §8.23 requires that each department (institution) develop modified budgets by assuming that base appropriations of the current year will be reduced by 25%.

To develop the base appropriations budgets for FY 2003, the institutions must identify, for approval by the Board, a series of priority decision packages to build back the 25% reduction in the FY 2002 base appropriations.

The amounts of the FY 2002 base appropriations at 75%, the restoration packages for the 25%, and the FY 2002 appropriations for the Regent institutions are as follows:

	<i>75% Base</i>	<i>25% Restoration</i>	<i>FY 2002 Appropriations</i>
University of Iowa*	\$232,797,086	\$77,599,029	\$310,396,114
Iowa State University*	197,067,867	65,689,289	262,757,156
University of Northern Iowa	67,836,087	22,612,029	90,448,116
Iowa School for the Deaf	5,960,079	1,986,693	7,946,772
Iowa Braille & Sight Saving School	<u>3,340,749</u>	<u>1,113,583</u>	<u>4,454,332</u>
TOTAL APPROPRIATIONS	\$507,001,868	\$169,000,623	\$676,002,490

* Excludes Special Purpose Appropriations.

Each institution has identified the specific programs and services which would be curtailed if the base appropriation budgets were reduced by 25% and has established priorities for restoring each to the FY 2002 appropriation level. (Attachment F.)

FY 2003 Budget Requests by Strategic Plan

Chapter 209 of *1997 Iowa Legislative Acts* requires that each state department submit budget requests using a "budgeting for results" format which includes steps for identifying and measuring desired results by use of results-oriented performance measures.

The Regent institutions use performance measures and incorporate their respective strategic planning goals into the development of the required budget format for FY 2003 to be submitted to the Department of Management.

The FY 2003 budget requests identify specific institutional goals, programs, and performance measures and allocate all funding sources among them.

Priorities for Restoring Base Operating Appropriations

University of Iowa

General University	1	Instructional program for on-campus students.	\$22,490,895
	2	Academic support for libraries, computing services, and audiovisual services.	16,735,967
	3	Student services for counseling, academic advising, and placement services.	4,968,871
	4	Institutional support for administration of instruction, research, and public service programs, including affirmative action, general management, financial coordination, planning, and various administrative services.	9,738,311
	5	Plant operations and maintenance services such as building maintenance, remodeling, and custodial services.	6,281,473
	6	Public service (outreach) for continuing education programs.	2,958,763
UIHC		County quota allocations for services and admissions of indigent patients. (Phased in three parts.)	7,958,854
Psychiatric Hospital		Funding for inpatient admissions, patient days, hospital service programs, and supplies. (Phased in three parts.)	2,040,100
Hospital School		Funding for staff positions supporting the care of children as well as professional and support services. (Phased in three parts.)	1,833,050
Oakdale Campus		Funding for transportation between the Oakdale and main campus; supplies and services in housekeeping, administration, business affairs, services, and plant operations and maintenance, equipment and building renewal, and personnel services. (Phased in four parts.)	770,289
Hygienic Laboratory		Environmental monitoring, public health microbiology, statewide computer services, and public programs. (Phased in three parts.)	1,039,658
Family Practice Program		Funding for faculty to maintain community based physician training programs and teaching visits to training sites. (Phased in two parts.)	602,197
SCHS		Direct patient care services, primary education for physicians and nurses, monitoring of services to children, and monitoring of local health care providers for children. (Phased in three parts.)	<u>180,599</u>
		Total Restoration Packages - SUI	<u>\$77,599,027</u>

Priorities for Restoring Base Operating Appropriations

Iowa State University

General University	1	Academic and nonacademic staff, equipment and services for teaching, research, and outreach.	\$19,944,213
	2	Academic and nonacademic staff, financial aid, equipment and services for instruction and research, library acquisitions, and student financial aid.	13,960,949
	3	Instructional programs, student services , research, graduate education, outreach programs, faculty and staff development, equipment, and building repairs.	15,955,371
Agriculture and Home Economics Experiment Station		Research programs, funds for continuing outlying research farms, and funding for basic biological sciences, utilization of agricultural products, sustainable agriculture, and rural development program. (Phased in three parts.)	9,039,110
Cooperative Extension Service	1	Staff positions, one-on-one counseling with livestock producers, and various research and demonstration programs.	2,294,614
	2	Youth and family development and resource management.	1,507,186
	3	Revitalizing Rural Iowa program.	994,478
	4	Environmental management of natural resources for sustainable agriculture and communities.	522,901
	5	Nutrition, diet, and health program.	393,185
Institute for Physical Research and Technology		Funding for outreach programs for business and industry, Iowa Industrial Incentive Program, technology transfer, Center for Advanced Technology Development, and technical development projects.	<u>1,077,282</u>
Total Restoration Packages - ISU			<u><u>\$65,689,289</u></u>

Priorities for Restoring Base Operating Appropriations

University of Northern Iowa

General University	1	Instructional program.	\$8,830,135
	2	Academic support for academic advising, library placement, student financial aid, student counseling, and wellness, and recreation.	6,043,707
	3	Physical plant and institutional support for maintenance, facilities planning, public safety, custodial services, ground services, operations and maintenance.	7,450,622
Institute for Decision Making		Funding for staff.	184,019
Recycling and Reuse Center		Funding for staff.	60,241
Metal Casting		Funding for staff.	<u>43,305</u>
		Total Restoration Packages - UNI	<u><u>\$22,612,029</u></u>

Iowa School for the Deaf

1	Elementary school program and funding for utilities, food products, and supplies.	\$1,350,951
2	Utilities, building repairs, and maintenance.	238,403
3	Instructional and academic support staff.	<u>397,339</u>
	Total Restoration Packages - ISD	<u><u>\$1,986,693</u></u>

Iowa Braille & Sight Saving School

1	Summer school program, personnel, supplies and services budget, building repair, library, and equipment.	\$400,040
2	Summer school program, faculty and general services positions, and supply and services.	469,137
3	Personnel, supplies, services, and building repair.	<u>244,406</u>
	Total Restoration Packages - IBSSS	<u><u>\$1,113,583</u></u>

Board Office

Board of Regents support staff.	<u><u>\$323,234</u></u>
---------------------------------	-------------------------